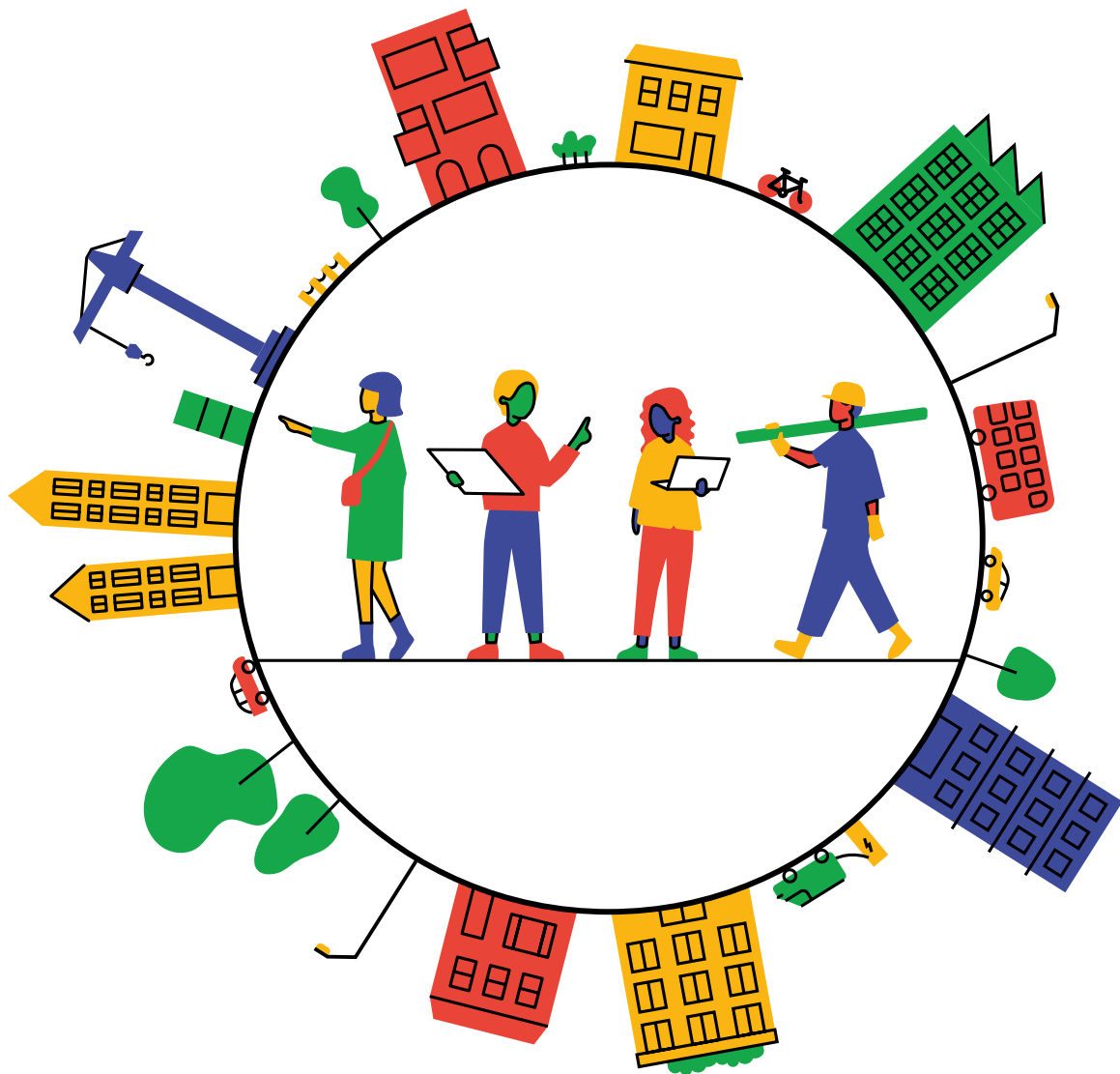


THE BUILT ENVIRONMENT SECTOR



In partnership with

GLAECONOMICS





THE BUILT ENVIRONMENT SECTOR

Part of:

SKILLS FOR **PLACES**

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The Built Environment Sector is the second report in the NLA’s Skills for Places series and follows Inspiring Future City Makers, published by NLA in April 2025.



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We need a big bang for the built environment.

The built environment sector in Great Britain is an economic powerhouse hiding in plain sight.

Working in partnership with GLA Economics and LSE, new data uncovered by NLA and Polygon Place Strategy in this report reveals that the core professions and services in this sector collectively contribute 24% of Great Britain’s total GVA (£568 billion) and employ 12% of the workforce, approximately 3.8 million people.

That is over twice the size of the financial services sector and four times the size of the creative industries.

Our capital city boasts a thriving ecosystem of those involved in architecture, engineering, construction, planning, real estate, technology and related consultancies, making it a global centre of excellence for the built environment. This already attracts global businesses and talent, exporting services back to major economies across the world.

Yet the sector is also geographically dispersed across the country and has the ability to grow exponentially. This offers significant support to the government’s core missions: building the homes and infrastructure we need for the economy to thrive; creating healthier communities to relieve pressure on the NHS; supporting social mobility through jobs and apprenticeships; mitigating against geopolitical and climate risk, whilst driving inward investment into the sector and exporting these skills to world.

In the 1980s the ‘British Invisibles’ of banking, finance, insurance, law and accountancy professions came together to define the financial services industry as a single sector, and the government and Bank of England seized the opportunity to get behind this concept and put this burgeoning and world-leading sector at the heart of its economic strategy for growth.

We believe that the opportunity exists for the current government to do the same with the built environment sector. Redefining it as a high-growth sector in the industrial strategy — rather than as merely a facilitator of growth in other key sectors — would allow built environment industries to reach their potential. Policy, taxation, education & skills reform are needed to change the public’s understanding of its true scale and potential to support national prosperity and individual lives.

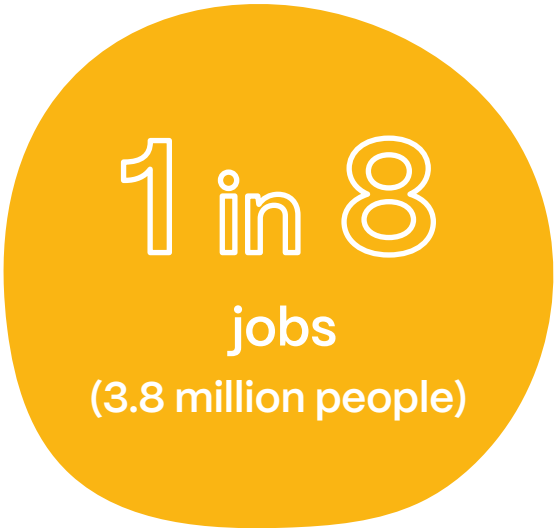
The NLA is already working with the Mayor of London on prioritising construction and built environment skills in the capital, but were the GLA and London Councils to add the built environment to its list of priority sectors in the London Growth Plan, we could also work with London & Partners to align skills funding with business support and international promotion, to scale the sector in the capital and attract global talent and investment.

To drive this vision, the built environment professions and their representative bodies must unite behind the core data and narrative in this report. We are one sector — diverse in skills, unified in purpose — shaping the places where communities live, work, and thrive. We are uniquely placed to support the government in its mission to drive growth and prosperity for the whole country.

This is our moment to act. Let’s build a future where the built environment sector is no longer hiding in plain sight — but recognised as central to the UK’s prosperity, resilience, and global leadership.

Nick McKeogh,
Chief Executive, NLA

The Great British Built Environment Sector



1

The built environment is a critically important sector hiding in plain sight.

The built environment is fragmented in terms of how public investment and policy are conceived and implemented, and in how professionals are educated, accredited, and represented. This report proposes an alternative approach to defining the industries and occupations that make up the built environment sector.

2

The built environment sector is a key partner for Government in enabling many of their most important policy goals.

The Planning and Infrastructure Bill is central to the Government's plan to get Britain building again and deliver economic growth. Achieving local growth, housing targets, regeneration, and infrastructure goals will depend on strong spatial planning and coordinated delivery across the built environment sector.

3

The built environment sector creates substantial economic value for the nation.

A new, more expansive definition of the built environment reveals the scale of its contribution to national GVA. Collectively, the sector accounts for 24% of Great Britain's GVA, amounting to £568 billion.

4

The built environment sector offers a wide range of high-quality, skilled jobs across diverse professions, and it is growing.

The built environment sector accounts for 12% of total employment in Great Britain, equivalent to around 3.8 million jobs. It is becoming more interdisciplinary and service driven as the sector expands on its broader social and environmental remits.

5

The built environment should be recognised not just as a strategic enabler of success, but also as a productive sector in itself.

The UK capital serves as a clear example of where the sector is agglomerating to form a global centre for built environment expertise, with many firms choosing London to serve both their UK projects and operations across EMEA.

Together, the built environment sector can drive a stronger UK economy

National Government should put the built environment sector at the heart of our economic strategy for growth

The built environment is a high growth sector which can unlock many of the government's key policy goals.

1

Metro Mayors should add the built environment to their list of priority sectors in Local Growth Plans

Aligning skills funding with business support will enable us to scale the sector and attract global talent and investment.

2

Built environment professions and their representative bodies should unite behind this as one sector

Greater collaboration across the built environment sector will address longstanding challenges and unlock new opportunities, including productivity, skills shortages and underinvestment in digitisation and innovation.

3

NLA will champion the sector and its expertise around the globe

We will work with together with leading employers and education partners to represent the built environment as a key employment sector; support the development of key skills through the Skills for Places Partnership; and champion the global expertise of the sector with the establishment of a major Built World Summit.

A follow on report in 2026 will make the case for the growing global export value of the built environment sector in London and the UK.

4

INTRODUCTION

The built environment is currently fragmented in terms of how public investment and policy are conceived and implemented, and in how professionals are educated, accredited, and represented. We need a new way of defining the built environment sector that reveals its true economic value.

The built environment sector plays a central role in delivering key government priorities, from housing and net zero to innovation and inclusive growth.

The UK's built environment is made up of the human-made spaces and infrastructure within which we all live our lives. This includes the homes we live in, the roads we move on, the public spaces we gather in and the shops, hospitals and schools we rely on. It houses the offices, data centres, logistics hubs and research laboratories that power the modern economy. The built environment includes not just buildings and what we see at ground level but also the infrastructure that services them, much of which runs through intricate, largely unseen networks below and above us.

Our lives are deeply interwoven with the built environment in countless ways.¹ People in the UK spend between 80–90% of their time indoors, in homes, schools, workplaces, other public spaces and on transport.² The quality of these spaces and places matters. Availability of public transit, social infrastructure, or green space can impact health, wellbeing and economic prospects. Pensions are often invested in the built environment, meaning the financial performance of buildings and infrastructure impacts a pensioner's ability to enjoy their retirement. The built environment shapes access to opportunity, with the location of affordable housing, schools, and jobs either reinforcing or reducing social inequality. It reflects cultural values, influencing whether people feel a sense of belonging or exclusion. And it will play a pivotal role in how well the world will adapt to a changing climate.

Balancing these many considerations while creating and maintaining spaces in which to live, work, and interact is the task of a complex, creative, and innovative group of professionals: the built environment sector. This sector brings together a wide range of professions and disciplines, from skilled tradespeople, architects, and engineers to developers, investors, project managers, sustainability consultants, and public servants. Each group makes a valuable contribution on its own, but taken together, they build the world we live in. The built environment sector plays a central role in delivering key government priorities, from housing and net zero to innovation and inclusive growth. It enables growth across other sectors by providing the physical and social infrastructure they depend on.

While those working within the built environment sector understand its immense value, it lacks a clear and cohesive definition. It can at times feel fragmented: in terms of how public investment and policy are conceived and implemented, in how professionals are educated, accredited, and represented and, perhaps most subtly, even in the professional identities many in the sector have constructed for themselves.

Reflecting and contributing to this fragmentation is an issue few in the sector are aware of: government statistics do not treat the built environment as a single, unified whole. Its activities are spread across categories such as construction, manufacturing, and utility industries; professional, scientific, and technical activities; real estate activities; administrative and support services, and more. While this may seem like a technical issue, it has a real impact. Without the data to effectively convey its substantial contributions to growth, employment, innovation and international competitiveness it is difficult for the sector to make its case to policymakers. This makes it harder to unlock targeted support for skills, research, and innovation, which has a knock-on impact on the sector's ability to attract talent and wider investment.

The built environment is a critically important sector hiding in plain sight that deserves to be seen. This report proposes a novel alternative approach to defining the industries and occupations that make up the

built environment sector. In doing so, it provides an important step towards capturing the full value chain comprising the sector, which in turn will provide the evidence base needed to build a clearer narrative about its size, importance and potential.

This work is not without precedent; it builds on efforts by other complex, cross-cutting sectors to redefine themselves. In the 1980s, the financial services industry struggled to gain recognition because much of its value was obscured by outdated statistical classifications. Through sustained advocacy and improved data, it was redefined and its strategic importance made clear. The creative industries were largely invisible in economic policy until work in the 1990s and 2000s by DCMS and academic researchers introduced new definitions that helped secure their role in industrial strategy, investment, and skills planning.

Using this new approach to defining the built environment sector reveals how it creates substantial economic value, including internationally competitive services, and offers a wide range of high-quality, skilled jobs across diverse professions. For those working within the sector this new definition will strengthen a sense of collective identity and shared responsibility.

“Buildings are more than just bricks and mortar — they are environments that inspire, comfort and shelter people from all walks of life. At The Crown Estate, we look at their value through a wider lens than purely financial; balancing social and environmental impact with economic when making decisions across our entire real estate portfolio.

Recognising that the built environment has a huge impact on all facets of society is vital if we are to unlock its full potential, delivering buildings and places that benefit today’s population and generations to come.”

Kristy Lansdown, Managing Director, Development, The Crown Estate

Chapter 2

THE BUILT ENVIRONMENT SECTOR: AN ENABLER OF GROWTH AND DELIVERY

The built environment sector is a critical partner for Government in enabling many of their most important policy goals. Yet responsibility for supporting the sector is spread across numerous government departments. The impact of this is evident in the UK’s substantial and chronic skills shortages.

The work of the built environment sector underpins Government's ability to achieve many of its most important missions and policy goals. Delivering on housebuilding targets, expanding the provision of social and affordable housing and establishing a new generation of New Towns will rely on the sector's ability to mobilise skills, materials, investment, and delivery expertise across the entire value chain, from planning and land assembly through to design, construction, and long-term stewardship.

The built environment sector is a critical strategic delivery partner for governments at all levels. Policies and strategies from the recent 10-year Infrastructure Strategy to local economic development strategies acknowledge the need for new spaces, facilities, and infrastructure. Similarly, the ambitions behind Great British Energy and the National Wealth Fund will depend on the sector's capacity to deliver major infrastructure at pace. The English Devolution White Paper makes clear that achieving local growth, regeneration, and infrastructure goals will depend on strong spatial planning and coordinated delivery.³ The built environment sector is uniquely positioned to help deliver these initiatives. Construction will play a critical role, but so too will other parts of the sector that will deliver the strategic planning, investment, design and coordination services required to bring complex projects to life.

Making government intervention "place-based" has been a consistent theme in recent years, closely tied to the devolution of funding and powers to both existing and emerging local government structures. The built environment sector is uniquely equipped to lead on place-based approaches to delivering policy objectives. It is inherently spatial in its approach, focused on delivering change in geographically defined areas. Built environment professionals already play a critical role in shaping and coordinating investment in place.⁴ Evaluations of past government programmes demonstrate that success in delivering change in places relies on investment in integrated place-making roles during development, and on the long-term stewardship of physical assets once delivery is complete.⁵ These are precisely the roles in which the sector excels.

The sector also plays a foundational role in enabling economic growth. This role is acknowledged in the Industrial Strategy's framing of construction as a "foundational industry" important to unlocking growth in the UK's "IS-8" highest potential sectors.⁶ The buildings, campuses and infrastructure that the sector creates support the industrial clustering, innovation ecosystems, and agglomeration effects that enable economic growth.⁷ Studies have shown that innovation flourishes in places with intentional spatial design, excellent connectivity, and strong public realm, all outcomes of a well-functioning built environment sector.⁸

The built environment sector is a strategic enabler of national ambitions, yet, as this report will demonstrate, its central role is not always fully recognised in policy and investment decisions. Currently, economic forecasting, industrial policy, and infrastructure planning all struggle to account for a sector that is not easily captured by conventional boundaries. Responsibility for supporting or enabling the built environment sector is spread across numerous government departments. Policies that might support its growth or strengthen its workforce often fall between institutional gaps. The impact of this is evident in the UK's substantial chronic shortages across construction, design, planning, and green-skills roles.⁹

Achieving local growth, regeneration, and infrastructure goals will depend on strong spatial planning and coordinated delivery.

"To deliver on the UK Government's ambitions from housing and infrastructure to net zero and inclusive growth, we must urgently address the skills shortages across the built environment sector.

This means investing in interdisciplinary education, fostering collaboration across professions, and treating the sector as an integrated whole rather than fragmented sub-industries.

By inspiring new talent, equipping people with the right skills, and fully valuing the sector's economic and social impact, we can unlock its full potential as a key driver of national progress."

***María Fernández Cachafeiro,
Head of Sustainability, Multiplex***

WHAT DOES THE BUILT ENVIRONMENT SECTOR DO?

The built environment sector is a complex ecosystem which not only constructs new buildings, but finances, plans, designs, engineers and maintains them too. It is becoming more interdisciplinary and service driven as the sector expands on its broader social and environmental remits.

At King's Cross, one of London's most newly regenerated areas, over 3,000 individual suppliers have been engaged in the life of the estate from inception to date, according to developer Related Argent

The built environment sector encompasses a wide array of professions and disciplines dedicated to creating, shaping, maintaining, and renewing the buildings, infrastructure, and public spaces that make up our built world. The work of the sector is often explained in terms of the lifecycle of the projects they create. This includes planning: creating visions for sites and communities, as well as assembling funding by putting together the public and private capital that makes delivery possible. Designers work through what will be built, including buildings, infrastructure and public realm, before handing over their designs to those who build: contractors, engineers, and skilled tradespeople. Buildings and places are then operated and maintained by those who take on the long-term ownership of or responsibility for them. Eventually they need to be reimagined, and the cycle begins again.

Built environment professionals may engage with a project at different points of this lifecycle. Some stay involved throughout, while others contribute at a specific stage before stepping away.

This interconnected, flexible system, is difficult to define clearly in economic and statistical terms. Traditional economic approaches tend to define industries based on similarities in production processes, types of goods or services produced, and markets served. When this approach is applied to the industries making up the built environment sector, the result is that they are associated with construction and seen as the industry responsible for producing or assembling buildings and structures.¹⁰

Consider a large-scale regeneration or new town project. Investment may come from a real estate fund (classified under financial services), design undertaken by an architectural firm, planning managed by a consultancy (professional services), physical works by a construction company, and ongoing stewardship by a facilities management provider.

Adding to this complexity is the evolution of the sector in recent years to become more interdisciplinary and service driven. Modern building projects are vastly more complex than their historical counterparts. Planning and regulatory requirements around fire safety, energy use, accessibility, biodiversity, and community engagement have all increased, largely with good reason. Clients and communities often expect far more than just completed buildings. Designing a building can now involve carbon modelling, developing a social value framework, digital twin integration and planning for post-occupancy evaluation.

This shift has led to the growth of entirely new professional roles and disciplines that did not exist 20 or even 10 years ago: development managers, sustainability consultants, social value advisors and digital design coordinators. Much of this work sits outside traditional statistical classifications that might be considered "built environment," complicating efforts to accurately measure the economic value and productivity.

Capturing this complexity in a more inclusive definition of the built environment sector is not straightforward. There is no national or international consensus on how to do this.¹¹ One approach is to view construction as part of a broader chain of production that includes both material supply and professional services such as architecture, engineering, and surveying.¹² Another approach, which is particularly effective in capturing the organisational complexity of the built environment, is to think in terms of the interdisciplinary and inter-firm

nature of building projects.¹³ This perspective recognises that the development of the built environment typically involves a wide range of actors working collaboratively across phases and disciplines.

This report adopts a third, even broader approach that considers the built environment as a complex ecosystem or network. This perspective widens the definition of the sector to include the economic activities involved in maintaining existing buildings and the services that enable their use, such as asset or facilities management.¹⁴ NLA set out this approach at a conceptual level in its Inspiring Future City Makers report, showing a built environment sector made up of a diverse range of industries, professions and disciplines that collectively are significant in terms of production, employment, public investment, and policy.¹⁵ This approach is not only more inclusive of the wide array of people working across the built environment, but also reveals the greatest opportunities for innovation, particularly in how value, information, and resources can be reorganised to achieve more effective and sustainable outcomes.¹⁶

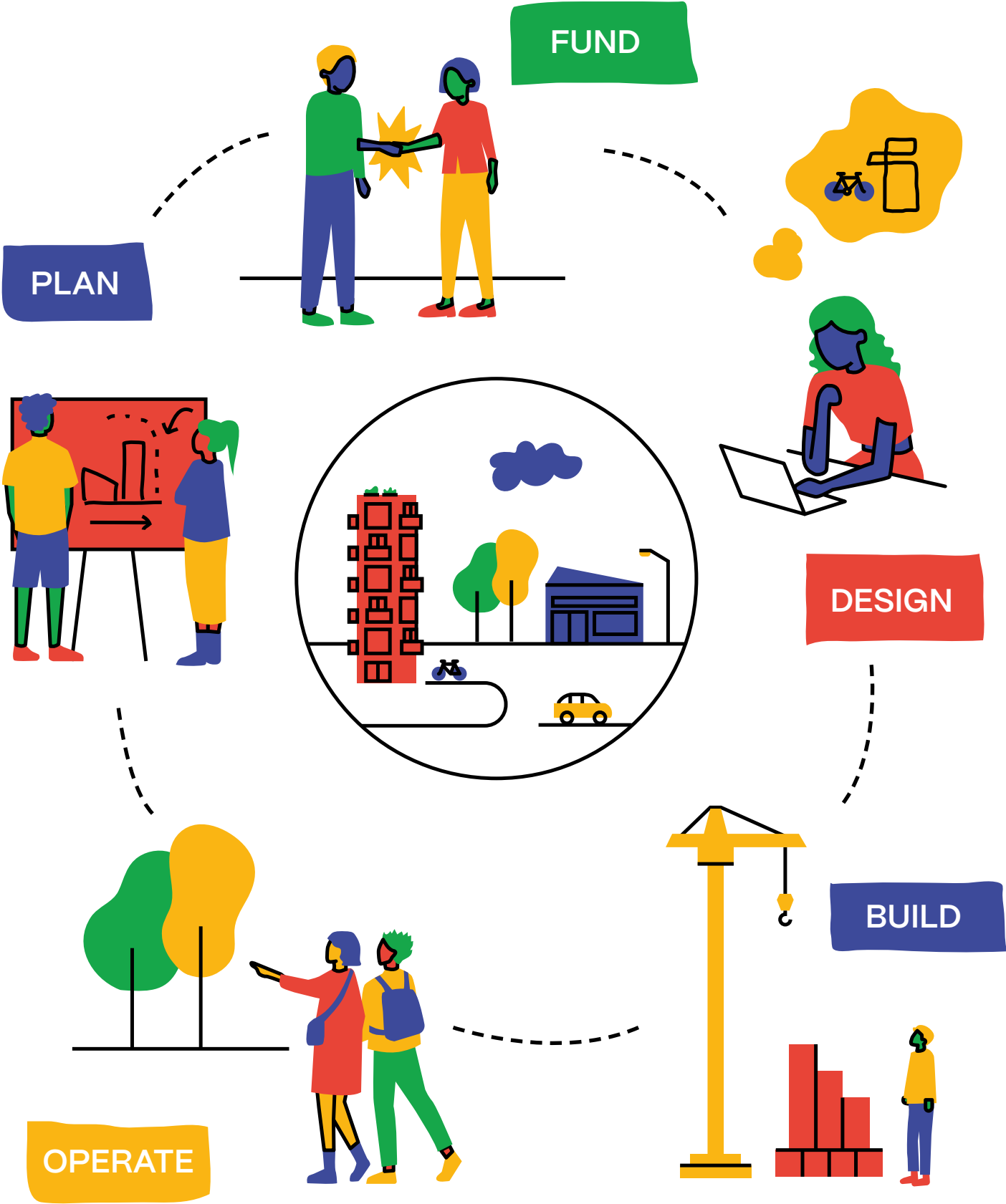
Adopting this broadest definition, and the alternative perspective it conveys, could be transformational for the sector. A shared definition that captures the full scope, value, and contribution of the built environment sector will help the case for targeted investment and sustained policy focus.

“The built environment sector is so much more than the sum of its parts and so much more than a servant–enabler of the wider economy.

Arcadis has enjoyed exponential global growth over the last thirty years because we have embraced the reality that the built environment is a sector in its own right, attracting capital investment through innovation, research & development and application of human talent.

Conjoining these things to create a coherent market sector, rather than a series of service–focused offers to enable other sectors, has added enormous value to our organisation and to those of our clients.”

Peter Hogg,
UK Cities Director, Arcadis



THE BUILT ENVIRONMENT SECTOR: A NEW DEFINITION

A new, more expansive definition of the built environment reveals the scale of its contribution to national GVA and employment. The sector offers a wide range of high-quality, skilled jobs across diverse professions, and it is growing.

To build a new, more expansive and shared definition of the built environment sector, we can bring together those industries defined in UK Standard Industrial Classification (SIC) of Economic Activities that play a role in creating and managing the built world. A natural starting point is the construction industry. According to the SIC, construction is divided into three core industries: the construction of buildings, civil engineering works, and specialised construction activities. The latter includes most construction trades and is the largest segment, both in terms of economic value and employment.¹⁷ Together, these three industries are substantial, contributing around 6% of gross value added (GVA) in Great Britain and 5% of total employment in 2023.¹⁸

The importance of construction is widely recognised. Its steady contribution to the economy and its slow rate of change compared to other industries have made it a consistent focus of both policy and public debate. Several reports have examined the construction sector's practices in the UK. The most recent of these, the 2016 Farmer Review, highlighted that the industry is part of an interdependent value chain, and that construction's client and supplier industries have a significant role to play in enabling new business models and other innovations to arise. The report recommended that "[a] stand-alone body should be challenged and empowered to deliver a more powerful public facing story and image for the holistic 'built environment' process, of which construction forms a part."¹⁹

Another of the most economically significant built environment-related sectors is what the SIC classifies as 'real estate activities.' This includes the work of professions such as lessors, agents, brokers, appraisers, and property managers. In 2023, real estate activities accounted for 13% of GVA (though much of this is due to the imputed value of homeownership — see endnote) while representing only 2% of total employment.²⁰ These figures indicate a highly capital-intensive and productive area of economic activity. Real estate also attracts substantial foreign investment, particularly in London, which is home to 25% of Great Britain's real estate jobs.

Other key components of the built environment sector that have clear SIC codes and therefore can be easily pulled out of national datasets include architecture, engineering, drafting, building inspection, and surveying and mapping services. Collectively, these professions account for 1% of GVA and 2% of total employment in Great Britain. When taken together the built environment industries of construction, real estate, and key professional services represent a significant share of Britain's economy: 20% of GVA and 9% of total employment.

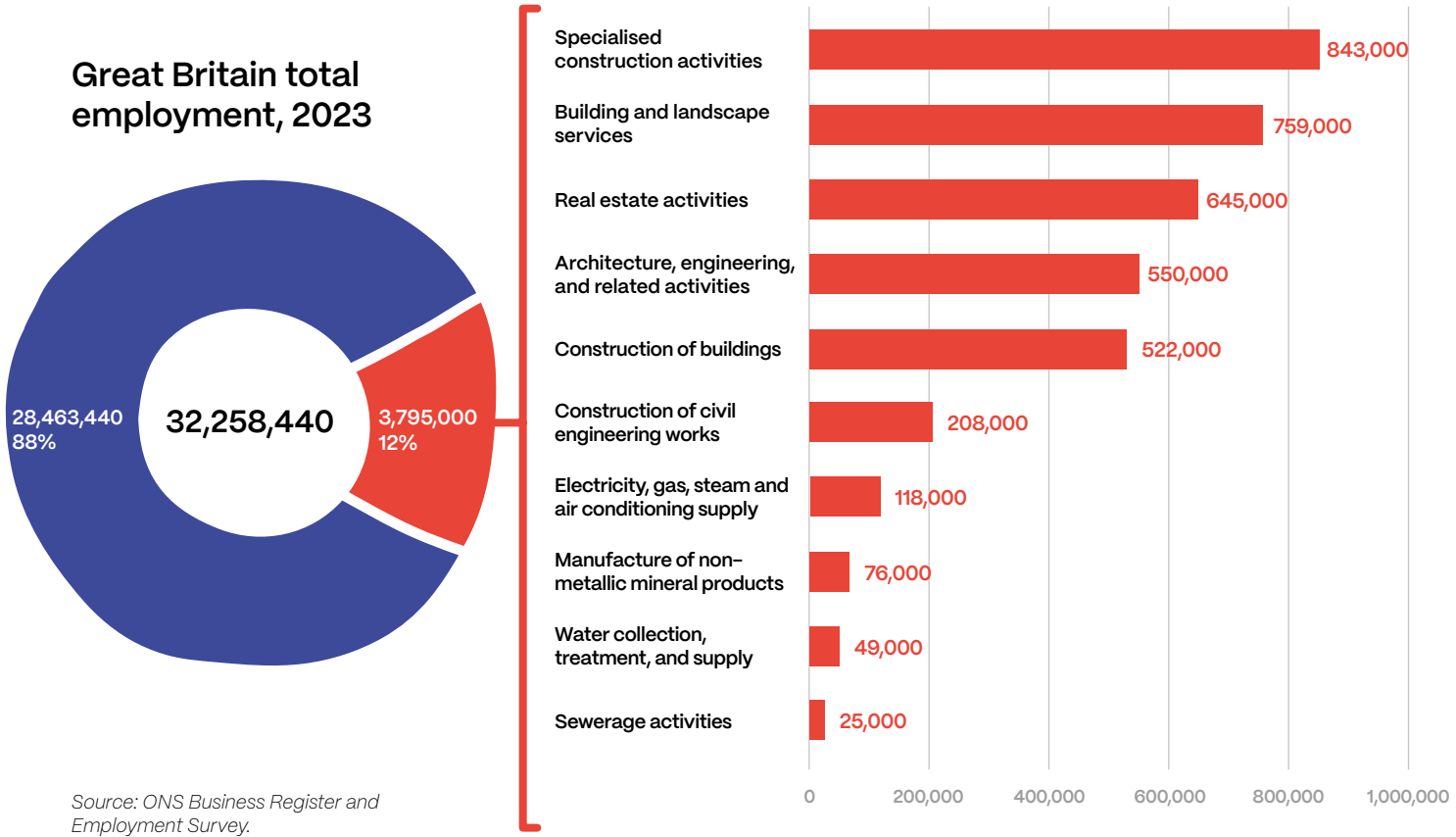
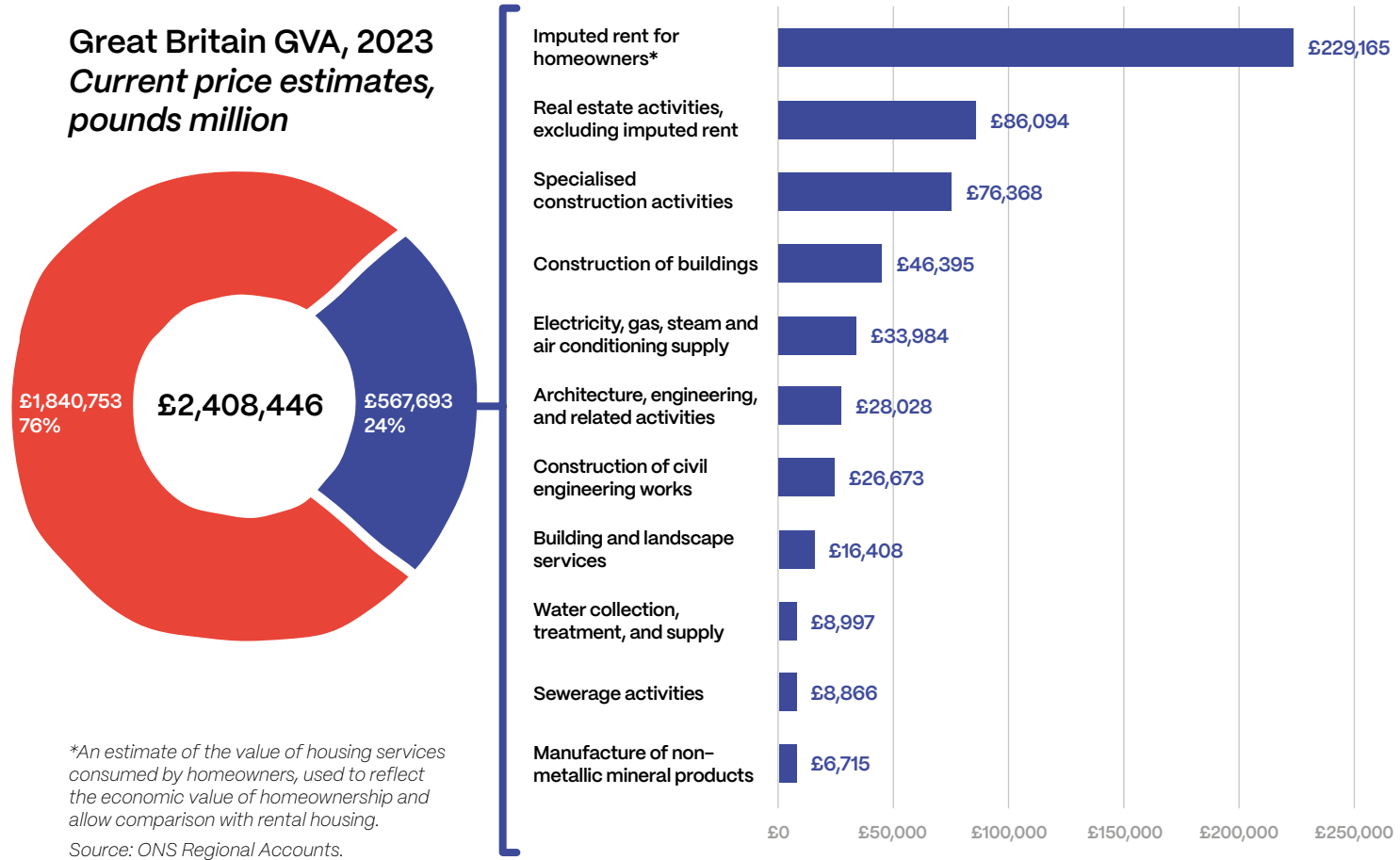
Beyond the industries discussed so far, the way the SIC is set up makes it difficult to understand the built environment sector's economic contribution. For example, many manufacturing sectors, such as those producing wood or fabricated metal products, support the sector but also a wide range of other industries. It is therefore difficult to isolate the portion of their economic contribution that relates to a single sector. Similar difficulties arise in other industries, including administration and support services, information and communication, and finance and insurance. Real estate and infrastructure finance, for example, play a vital role in shaping the built environment but are particularly hard to identify within the SIC framework.

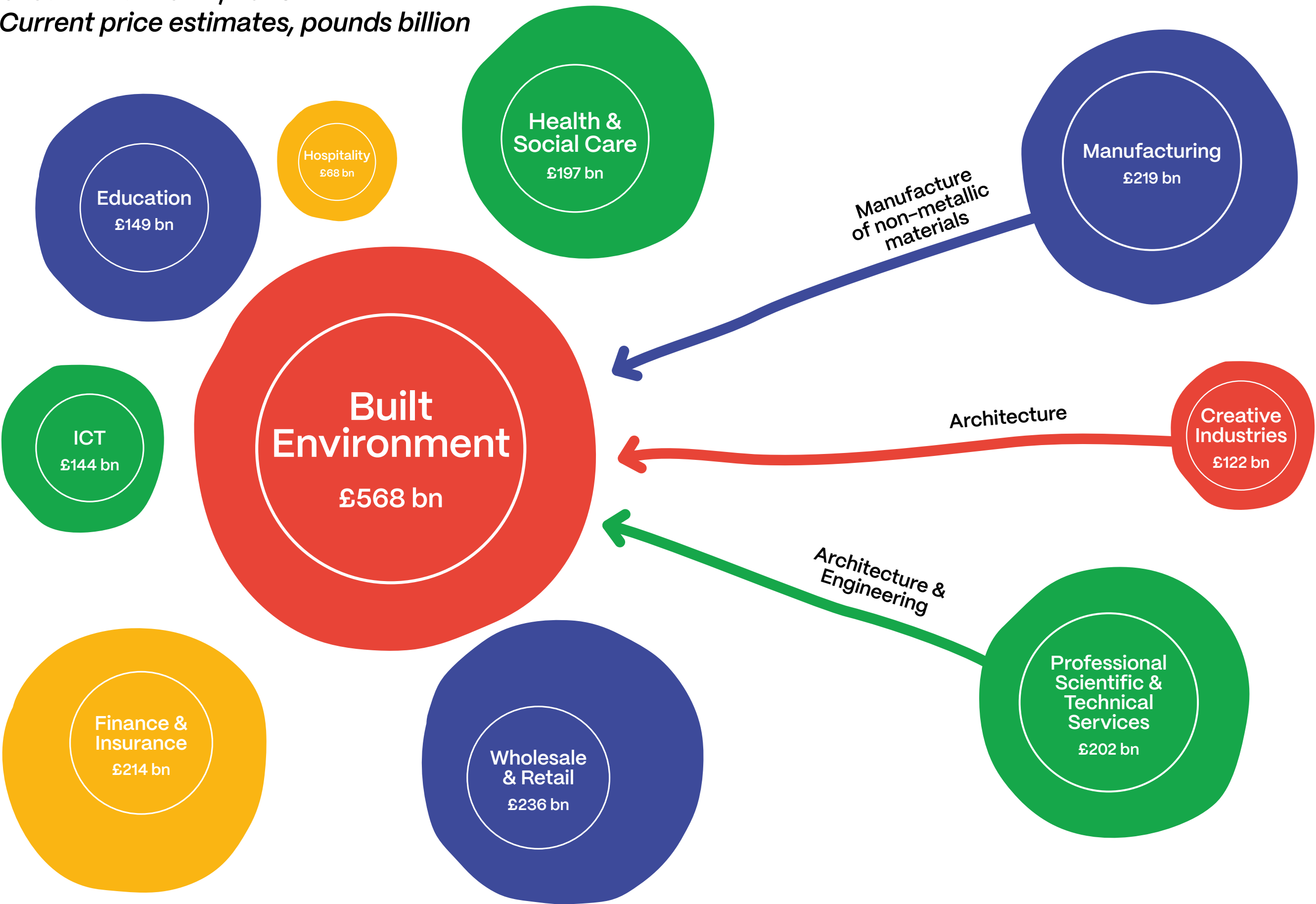
Another issue lies in how the SIC aggregates industries with varying degrees of relevance to the built environment. Certain industries that are

identifiable at more detailed levels — such as environmental consulting and quantity surveying — are embedded within broader, mixed categories, such as miscellaneous professional, scientific, and technical activities at the levels for which GVA data is not readily available.

This report adopts a definition of the built environment that is as broad as possible in order to avoid understating its economic contribution, but that is also pragmatic given the challenges outlined above. This includes industries often overlooked in conventional images of the built environment, such as the provision of electricity, gas, steam, and air conditioning; water collection, treatment, and distribution; and sewerage services. In addition, it includes a range of administrative and support service activities linked to the built environment, such as facilities support, cleaning of structures, transport, and streets, and landscaping. It includes manufacturing industries that are strongly built environment focused, such as the manufacture of non-metallic mineral products (which includes glass, tiles, cement, and plaster), while other manufacturing codes without such clear alignment have been excluded.

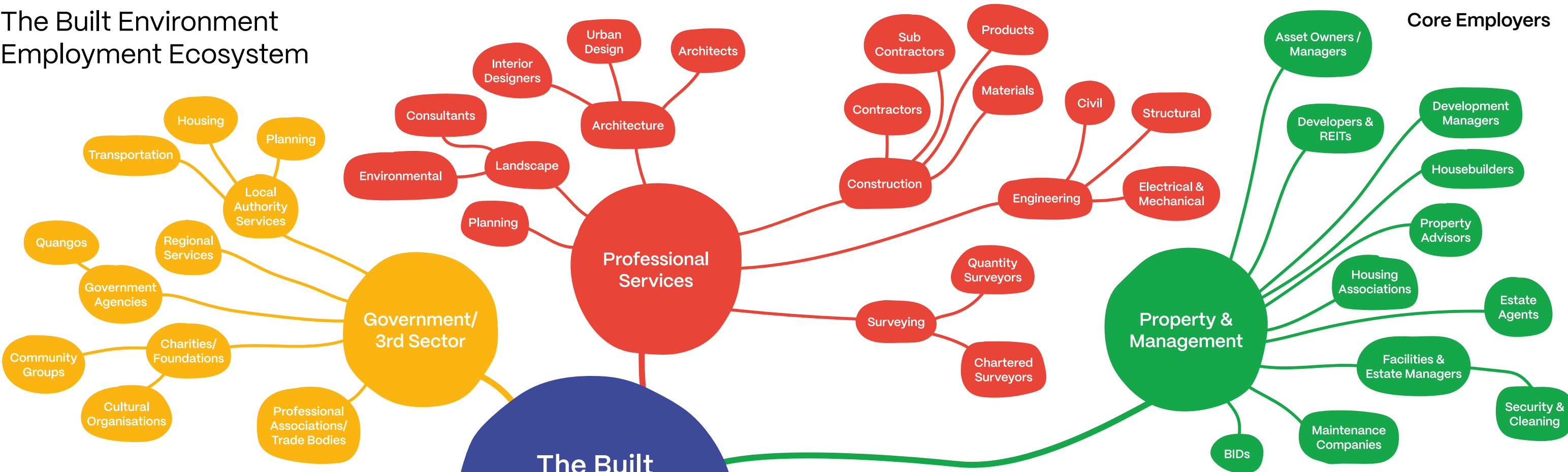
This definition is not intended to be definitive, nor can it be, given the limitations of available data. It tends, if anything, towards an underrepresentation of the sector. However, it does represent a step change in the statistical approach to measuring the sector. Using this new, more expansive definition of the built environment reveals the scale of its contribution.



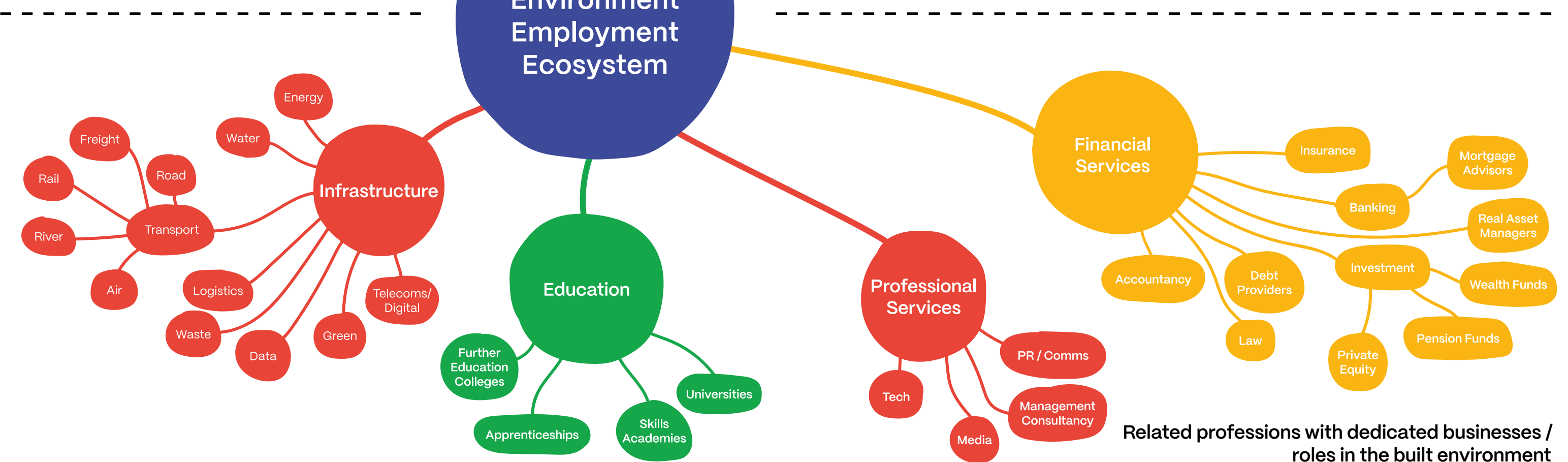


Sources: DCMS; ONS Regional Accounts.

The Built Environment
Employment Ecosystem



Core Employers



Related professions with dedicated businesses /
roles in the built environment

HOW TO SUPPORT THE BUILT ENVIRONMENT SECTOR

Defining the built environment sector in this way enables us to demonstrate the scale of its economic contribution, capacity to create high-quality employment and its ability to bring long-term investment to places. The benefits of the sector could be further strengthened through greater industry-wide collaboration.

(Re) define the built environment sector in the UK

Nearly thirty years ago the Creative Industries Task Force was created in response to the rising significance of culture as a policy domain.²¹ Today the Creative Industries sector plan released as a part of the UK's Modern Industrial Strategy proudly states that "the UK has led the world in the development of definitions, statistics and evidence for the Creative Industries, establishing their economic and wider value".²² Through a mix of pragmatic analysis, backing from industry leaders, and other influences, the creative industries came together and laid the foundation for sustained attention from policymakers and incorporation of the sector into business and investment strategies.

A similarly joined up effort by the built environment sector to redefine itself would be transformational. The more expansive definition of the sector developed in this report could be taken further to include not just the industries that design, construct, manage and maintain the built environment but also those that enable and influence these processes, through regulation, finance, education, law, and technology. This is not a task that can be completed in a single step. It requires an iterative process of consultation, evidence-gathering, and refinement, engaging researchers, government and industry bodies.

Explore the full economic impact of the sector

The work done in this report to more accurately measure and better understand the built environment sector demonstrates the scale of its economic contribution, capacity to create high-quality employment and its ability to bring long-term investment to places. This work could go further to include the extent to which the sector is a generator of growth in its own right, such as through the export value of its professional services. This would give it a central place in local, regional, and national growth agendas.

It would also bring greater attention to the geography of the built environment sector, including clustering of specialist expertise and areas where there is untapped potential, including in emerging frontier industry areas of the sector. With better understanding of where the sector is expanding, where greater collaboration across sub-sectors could unlock value, where emerging skills and innovation are most concentrated, and where the UK holds a clear competitive advantage in global markets, it would be easier support the sector to thrive.

Invest in equipping people with the skills to build places

As outlined in NLA's Inspiring Future City Makers report, the built environment sector faces systemic skills challenges that threaten its capacity to deliver on national priorities. Skills shortages exist at every stage of the project lifecycle. In addition, as the work the sector is asked to do has grown in complexity, increasingly it brings together disciplines to

work in collaborative partnership. This requires new skills and capabilities. Respondents to a survey for Inspiring Future City Makers ranked communication skills, teamwork and problem solving as the most important skills to teach young people to prepare them to work in the sector.²³

If the future of the built environment is truly cross-disciplinary and multi-skilled, as the Inspiring Future City Makers report suggests, then innovation must extend into education systems and alternative career pathways to foster the collaborative capabilities required for the sector’s evolving needs. Presenting the sector as a unified whole will help build awareness of the wide variety of skilled professions and career pathways it offers, particularly to younger generations and underrepresented groups. Skills strategies and investment can begin to treat the built environment as an integrated industry, rather than addressing its sub-sectors in isolation. This would help bring together industry, education providers, government, and programmes such as the NLA’s Future City Makers to more effectively support workforce development and job creation across the sector’s interconnected disciplines.

Work together as a sector

Greater collaboration across the built environment sector could help address longstanding challenges and unlock new opportunities. The challenges of the construction industry, including productivity, skills shortages and underinvestment in digitisation and innovation are well known.²⁴ Part of the answer may be greater integration of construction and the wider built environment sector. In a 2017 review of global construction productivity, the McKinsey Global Institute concluded that the disconnect between construction industries and their clients is a fundamental problem, and the construction industry would be unlikely to enhance its capabilities and productivity alone.²⁵ Broader sector-wide leadership is essential — a point that academics have also been making about construction innovation for some time.²⁶

Greater cross-sector collaboration is also essential to engaging effectively with government and has the potential to drive innovation. Tasks like defining standards for emerging technologies, funding technology pilot projects, and promoting success stories require coordinated action across the entire built environment sector.²⁷ Without a single, large-scale representative body for the built environment sector it is difficult to collectively advocate for the support needed from governments at all levels to drive change. Industry bodies reaching consensus on a single definition of the sector and embracing their place within it would be a valuable first step.

Presenting the sector as a unified whole will help build awareness of the wide variety of skilled professions and career pathways it offers, particularly to younger generations and underrepresented groups.

“Estimates vary but commonly quoted figures suggest we will need between 100,000 and 170,000 new entrants into built environment trades and professions each year to reach anywhere near the government’s targets. The built environment has a vast and varied range of disciplines within it, which will need to work more harmoniously together.

Transdisciplinary skills will become increasingly important as we tackle the specific issues associated with climate change as well as embracing new technologies, new data models and the rapid emergence of artificial intelligence within our sector.”

*Ashley Wheaton, Vice Chancellor,
University of the Built Environment*

“In defining the sector and identifying the opportunity, the NLA has made a critical move to show how powerful we could be if we embrace inter and cross disciplinary collaborative working. But to really do that, we need new skills and new perspectives in innovation and civic urbanism.

With that intelligence and creativity and leadership, we can build and repair neighbourhoods, towns and cities; do it in a way that includes rather than excludes much of society’s talent; and with it, rebuild our collective civic pride.

This work is underway, and London and the UK should be proud to bring on the next generation of civic urbanists.”

*Lucy Musgrave,
Founding Director, PUBLICA*

LONDON'S GLOBAL BUILT ENVIRONMENT INDUSTRY

The UK capital is a leading global centre for built environment expertise, with many firms choosing London to serve both their UK projects and operations across EMEA. The built environment should be recognised not just as a strategic enabler of success, but also as a productive sector in itself.

London's built environment industries generated £111 billion GVA in 2023

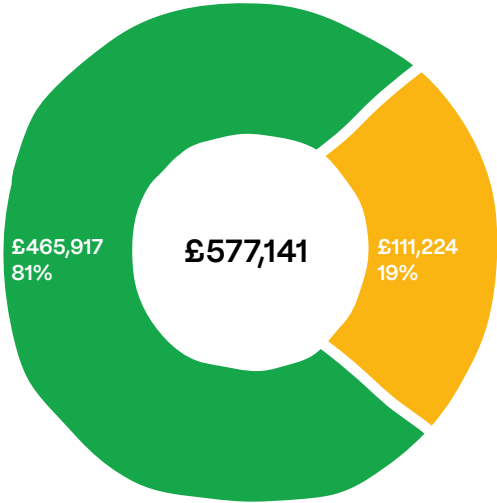
Nowhere is the reach and impact of the UK's built environment sector more evident than London. The capital's iconic physical fabric defines its global identity. London's diverse economy creates demand for workspaces, housing, infrastructure, and cultural facilities, often pushing the sector to innovate.

Applying the expanded definition developed above to London illustrates the size of the sector's contribution to London's economy. London's built environment industries generated £111 billion GVA in 2023. Of this, close to 66%, or £74 billion, is in real estate activities such as buying, selling, letting and managing properties, as well as the imputed rent from homeowners. Another £23 billion is in construction and related activities.

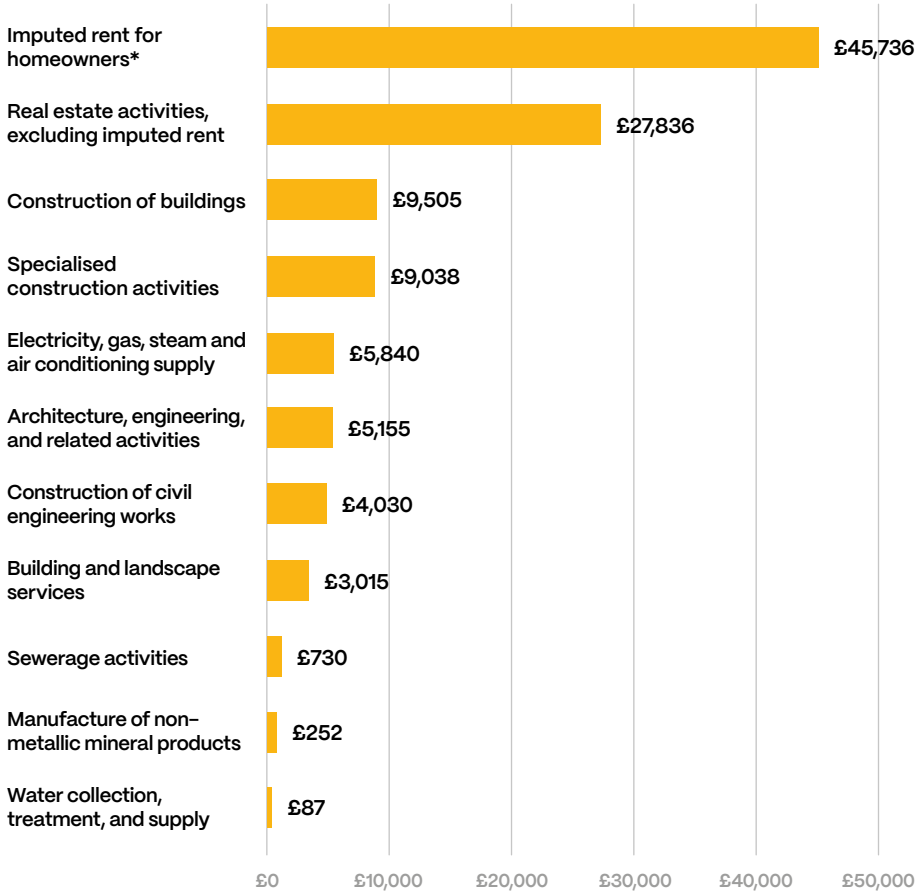
The sector is also a substantial employer with jobs in a selection of occupations making up 11% of total London employment, with construction industries (collectively) and real estate activities each representing roughly 4% and 3% respectively. London accounts for 17% of Britain's total built environment jobs.

The built environment sector as a share of overall GVA and employment is lower in London than nationally due to the capital's strength in tech, finance and professional services jobs relative to the rest of the country. But digging deeper into the data reveals another story about London: the capital hosts concentrations in specific built environment subsectors. This includes 43% of the Great Britain's architectural industry jobs.

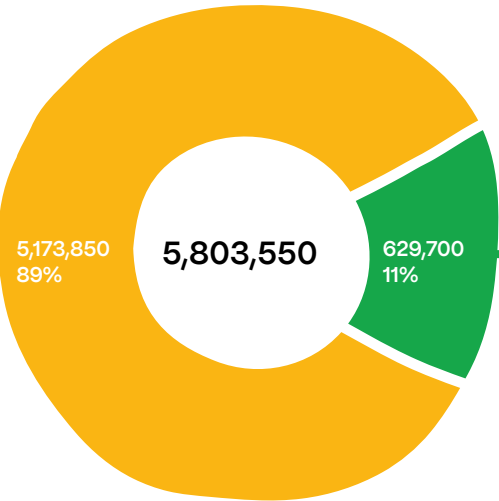
London GVA, 2023
Current price estimates, pounds million



**An estimate of the value of housing services consumed by homeowners used to reflect the economic value of homeownership and allow comparison with rental housing.*
Source: ONS Regional Accounts



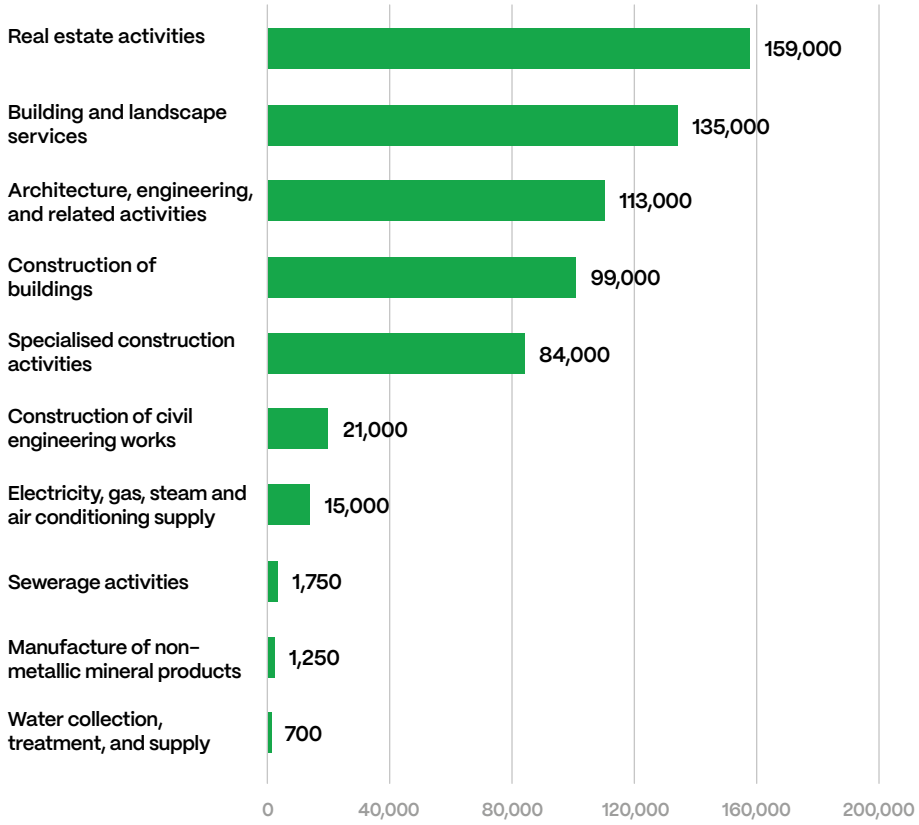
London total employment, 2023



Source: ONS Business Register and Employment Survey.

The concentration of architecture jobs is linked to a global trend in the built environment sector. As many architecture, planning, and design firms have evolved into global businesses, they tend to manage international projects from central hubs.²⁸ For such companies London is an ideal base. It offers proximity to investors and the opportunity to work on London’s many complex and innovative built environment projects. It also offers excellent international connectivity and a strong higher education sector including world-leading universities training the next generation of built environment professionals. The result is that many service-oriented built environment firms, including architecture, planning and engineering consultancies, choose London to serve both UK projects and their operations across Europe, the Middle East and Asia.

There is another story that the data doesn’t fully capture. This is the overlap between the built environment sector and another of London’s largest and most globally competitive sectors: financial services. London is a global financial hub, home to more than 500 banks, and leading in foreign exchange, insurance, and investment services. It is also one of the world’s most attractive destinations for international capital invested into real estate. Institutional investors including pension funds, insurance companies, and sovereign wealth funds hold significant stakes in commercial, industrial, and increasingly residential assets across the UK. Between 2013 and 2024, London attracted approximately US \$87 billion in private wealth real estate investment, more than any other global city, including New York and Hong Kong.²⁹ In 2023 alone, London secured



London accounts for 17% of Britain’s total built environment jobs.

£11.2 billion in property investment, with overseas investors accounting for 61% of that total.³⁰ Much of this capital is tied up in long-term investments that generate ongoing returns through rent, appreciation, and regeneration.

London’s status as both a hub for financial decision-making and a destination for global capital invested into real estate has contributed to the creation of another professional cluster. This is the sub-set of the financial services industry focused on real estate investment and fund management. While they play a critical role in the built environment sector by shaping the global flows of capital that invest in it, that cannot be included in the figures above. Their contribution to London’s economy and employment is accounted for within financial services.

Applying a wider definition to the built environment sector reveals London’s unique global position. As London looks to strengthen its position in an increasingly competitive global economy, there is a strong case for recognising its built environment not just as a strategic enabler of success in other global-facing industries, but also as a productive sector in itself.

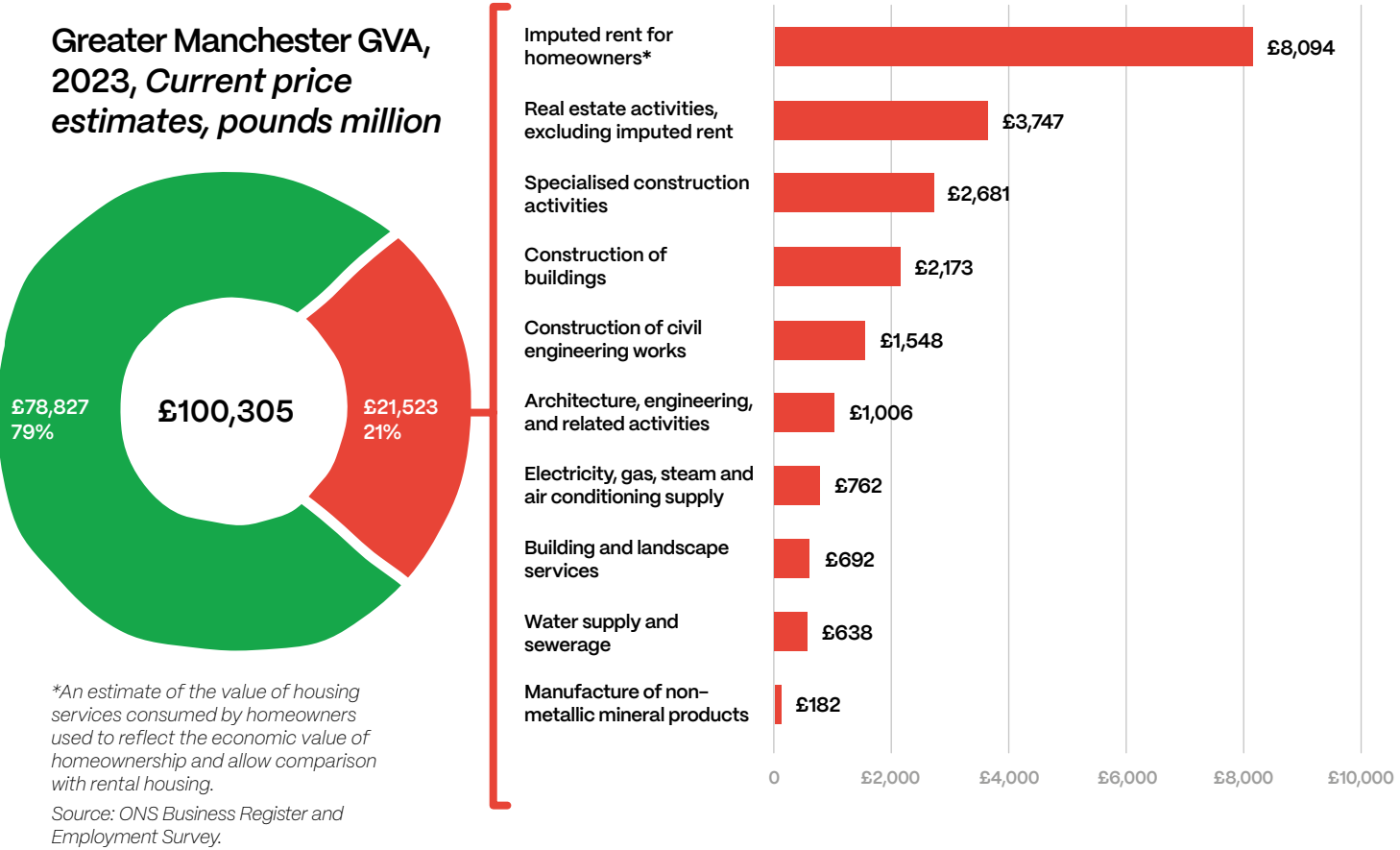
“Gensler has proudly called London home for over 30 years, with our European headquarters serving as a design powerhouse and strategic gateway to international markets.

With over 350 professionals in London, our team reflects the vibrancy of the city itself. We have access to the best and most diverse talent to help our clients tackle the complex challenges of today.

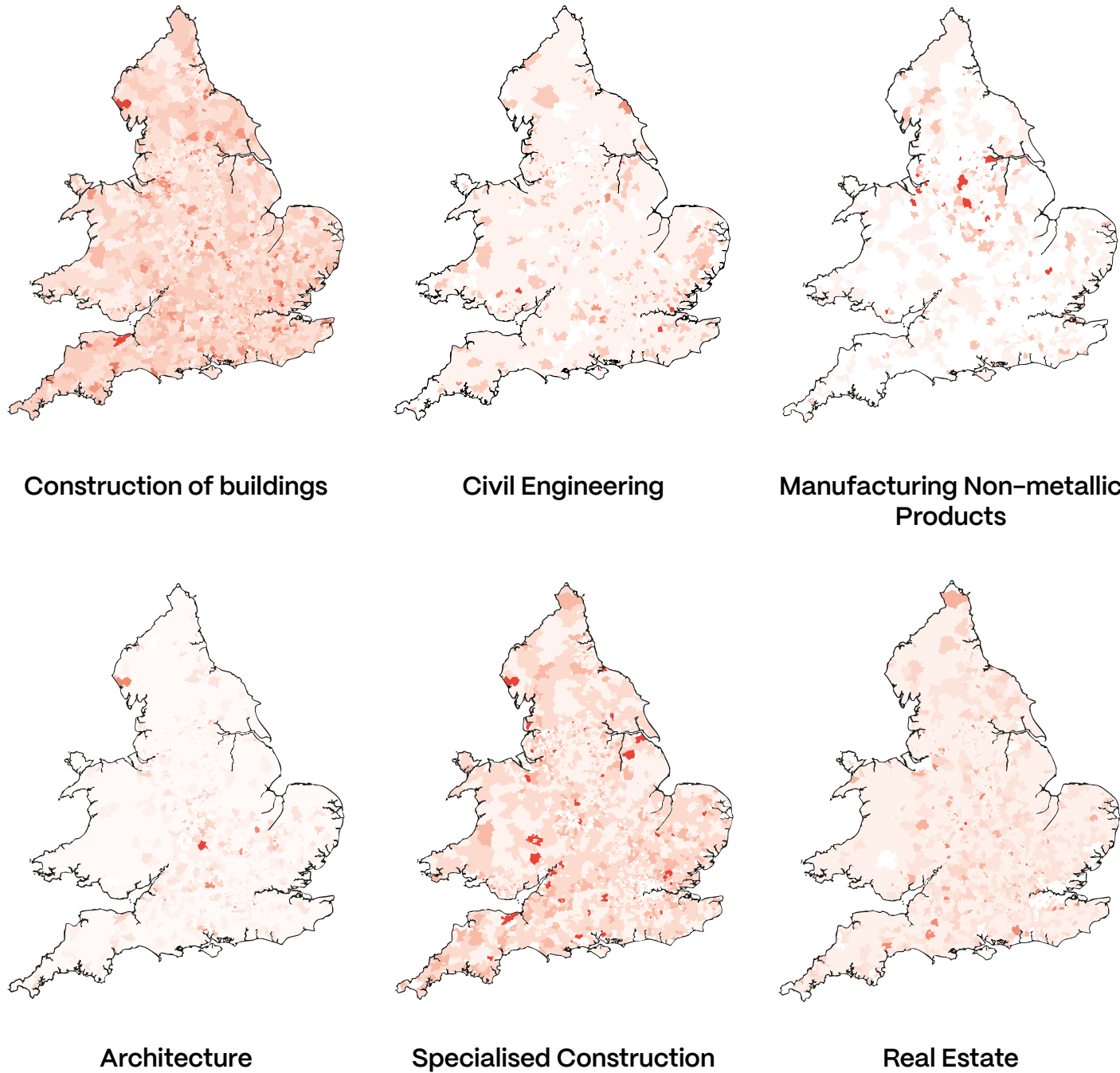
Many of our global projects are led from our London office, reinforcing the city's role as a leading economic player and positioning it as a bellwether for innovation worldwide.”

Richard Harrison,
Co-Managing Director, Principal, Gensler London

The tendency of built environment professions to cluster in major urban areas across the UK can be also seen in Greater Manchester, where 21% of its GVA and 11% of its total employment comes from the built environment sector.



Geographies of built environment jobs, England and Wales*
Employment distribution, 2023

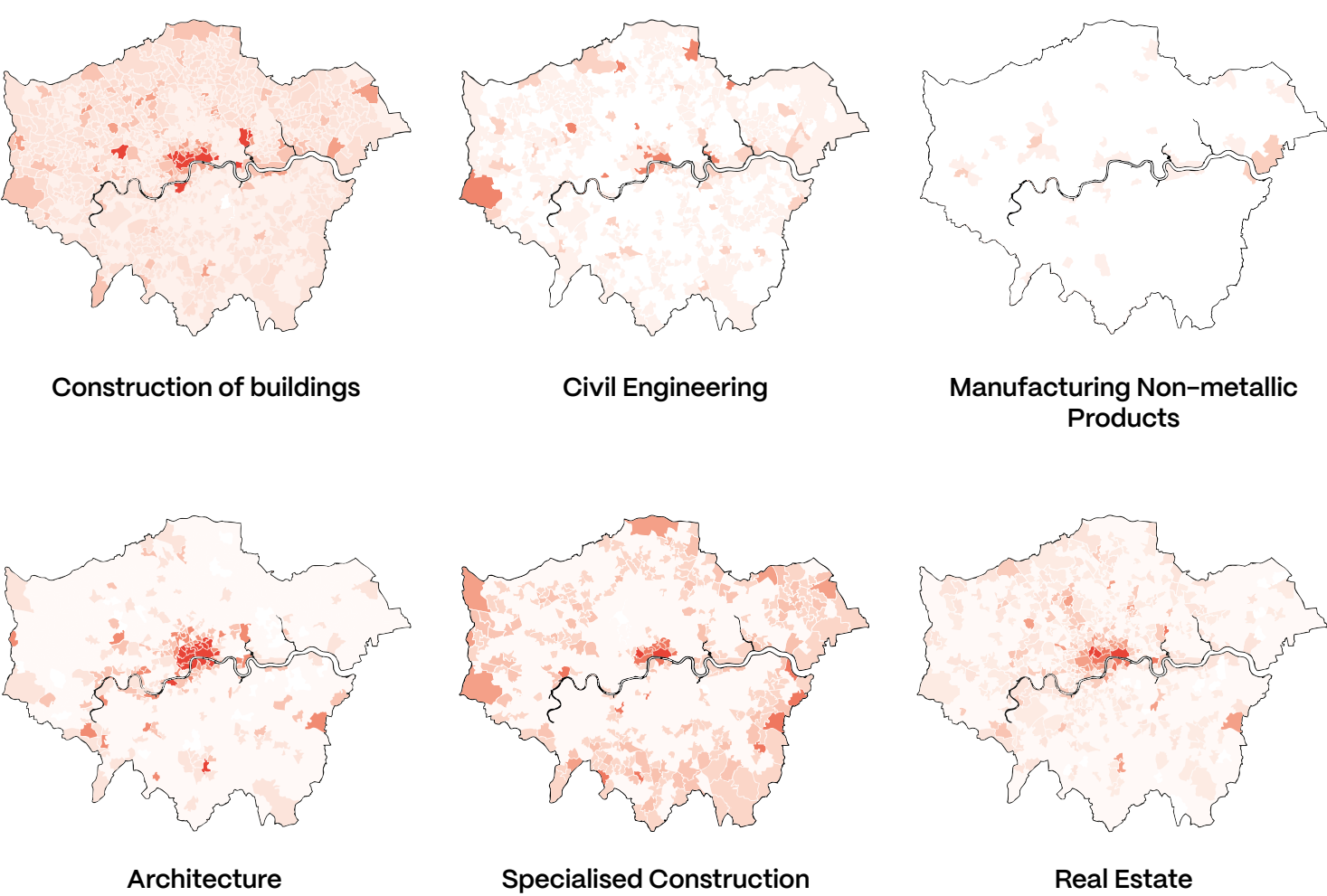


Tendency to cluster



**The MSOA, or Middle layer Super Output Area, is a level of the standard census statistical geography used in England and Wales only.*

Geographies of built environment jobs, London
Employment distribution, 2023



"In London, the built environment is uniquely interdependent with our world-leading financial and investment industries. Global capital flows into London's real estate and infrastructure projects, while our financial institutions manage investments that shape skylines, regenerate communities, and deliver the infrastructure on which the UK depends. Together, the built environment and financial services form an ecosystem unmatched by other global cities, reinforcing London's position alongside — and often ahead of — hubs like New York and Hong Kong."

Katie Stewart,
Executive Director – Environment, City of London Corporation

Source: ONS Business Register and Employment Survey

METHODOLOGICAL ANNEX

GLA Economics approach to identifying relevant industries

A key aspect of the work underpinning this report has been the development of an inclusive, industry-based definition of the built environment sector. This report aims to apply a consistent approach to analysis, while recognising the challenges posed by limited data availability at a detailed level and by the constraints of the Standard Industry Classification (SIC) taxonomy. For this reason, the analysis in the main body of the report is presented at the SIC 2-digit level, which provides a relatively broad view (see Table 1).

The initial process of identifying industries relevant to the built environment, however, was carried out at the more detailed SIC 4- and 5-digit levels. This greater level of granularity allowed the definition to capture important nuances that can be obscured when data are aggregated.

Industry selection was guided by two main sources: (i) desk-based research into detailed SIC industry activities, and (ii) a ‘staffing pattern matrix’ analysis. The latter, based on Lightcast data, highlights the extent to which different occupations — including those strongly linked to built environment activities — are employed or concentrated within specific industries. Industries employing a relatively high share of these relevant occupations were considered for inclusion in the working definition of the sector. Where appropriate, these detailed SIC 5-digit industries were then aggregated to the 2-digit level for reporting purposes.

While not explored in detail in this report, an alternative method of defining the sector could be through an occupational lens, using the Standard Occupational Classification (SOC) taxonomy. This approach may better reflect the cross-cutting nature of the built environment sector, highlighting how relevant skills and expertise are applied across a wide range of industries in the wider economy. Such a perspective could also complement the industry-based approach explored in this report, by offering additional insight into workforce dynamics, the transferability of skills, and potential areas of labour market resilience or vulnerability.

The tables here present the current working definitions at both the SIC 2- and 5-digit levels. These remain subject to refinement following industry consultation, validation, and further robustness checks.

SIC 2-digit industry code	SIC 2-digit industry name
23	Manufacture of other non-metallic mineral products
35	Electricity, gas, steam and air conditioning supply
36	Water collection, treatment and supply
37	Sewerage
41	Construction of buildings
42	Civil engineering
43	Specialised construction activities
68	Real estate activities
71	Architectural and engineering activities; technical testing and analysis
81	Services to buildings and landscape activities

Notes on data sources:

Employment: The ONS’ **Business Register and Employment Survey (BRES)** represents the most granular source of industry employment data, expandable up to the SIC 5-digit level. In terms of coverage, however, it is important to note that its employment estimates are the sum of employees and working owners but do not include those self-employed or agency workers who do not pay VAT or PAYE, and, therefore, may underestimate the true number of people working in some sectors. For the built environment, this may result in the underestimation of construction trades, in particular. Additionally, owing to delays with the collection of BRES data in Northern Ireland for the latest year, the largest geography available in Great Britain.

Gross Value Added (GVA): Data on Gross Value Added — a measure of the value generated by producing goods and services — is sourced from ONS’ **Regional Accounts** dataset. In this report, GVA data is presented at current market prices to best highlight the immediate economic value of goods and services produced in the latest year for which data is available, 2023. For comparisons over time (not included in this report), chained volume measures to a specific year are typically used, as those better account for inflationary effects. For consistency with the BRES employment data, industry GVA estimates for Great Britain are presented in this report, calculated as total UK GVA minus Northern Ireland’s GVA.

SIC 2–digit industry code	SIC 2–digit industry name
23110	Manufacture of flat glass
23120	Shaping and processing of flat glass
23130	Manufacture of hollow glass
23140	Manufacture of glass fibres
23190	Manufacture and processing of other glass, including technical glassware
23200	Manufacture of refractory products
23310	Manufacture of ceramic tiles and flags
23320	Manufacture of bricks, tiles and construction products, in baked clay
23410	Manufacture of ceramic household and ornamental articles
23420	Manufacture of ceramic sanitary fixtures
23430	Manufacture of ceramic insulators and insulating fittings
23440	Manufacture of other technical ceramic products
23490	Manufacture of other ceramic products
23510	Manufacture of cement
23520	Manufacture of lime and plaster
23610	Manufacture of concrete products for construction purposes
23620	Manufacture of plaster products for construction purposes
23630	Manufacture of ready–mixed concrete
23640	Manufacture of mortars
23650	Manufacture of fibre cement
23690	Manufacture of other articles of concrete, plaster and cement
23700	Cutting, shaping and finishing of stone
23910	Production of abrasive products
23990	Manufacture of other non–metallic mineral products nec

SIC 2–digit industry code	SIC 2–digit industry name
25110	Manufacture of metal structures and parts of structures
25120	Manufacture of doors and windows of metal
25210	Manufacture of central heating radiators and boilers
35110	Manufacture oa Manufacture of central heating radiators and boilers f cement
35120	Transmission of electricity
35130	Distribution of electricity
35300	Steam and air conditioning supply
36000	Water collection, treatment and supply
37000	Sewerage
41100	Development of building projects
41201	Construction of commercial buildings
41202	Construction of domestic buildings
42110	Construction of roads and motorways
42120	Construction of railways and underground railways
42130	Construction of bridges and tunnels
42210	Construction of utility projects for fluids
42220	Construction of utility projects for electricity and telecommunications
42910	Construction of water projects
42990	Construction of other civil engineering projects nec
43110	Demolition
43120	Site preparation
43130	Test drilling and boring
43210	Electrical installation
43220	Plumbing, heat and air–conditioning installation

SIC 2–digit industry code	SIC 2–digit industry name
43290	Other construction installation
43310	Plastering
43320	Joinery installation
43330	Floor and wall covering
43341	Painting
43342	Glazing
43390	Other building completion and finishing
43910	Roofing activities
43991	Scaffold erection
43999	Specialised construction activities
64203	Activities of construction holding companies
64305	Activities of property unit trusts
64306	Renting and leasing of construction and civil engineering machinery and equipment
68100	Buying and selling of own real estate
68201	Renting and operating of Housing Association real estate
68202	Letting and operating of conference and exhibition centres
68209	Letting and operating of own or leased real estate
68310	Real estate agencies
68320	Management of real estate on a fee or contract basis
71111	Architectural activities
71112	Urban planning and landscape architectural activities
71121	Engineering design activities for industrial process and production
71122	Engineering related scientific and technical consulting activities
71129	Other engineering activities

SIC 2–digit industry code	SIC 2–digit industry name
71200	Security systems service activities
74901	Environmental consulting activities
74902	Quantity surveying activities
77320	Renting and leasing of construction and civil engineering machinery and equipment
80200	Security systems service activities
81100	Combined facilities support activities
81210	General cleaning of buildings
81221	Window cleaning services
81222	Specialised cleaning services
81223	Furnace and chimney cleaning services
81229	Building and industrial cleaning activities
81300	Landscape service activities

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18 Unless otherwise specified, GVA and employment figures used in this report are for Great Britain, rather than the UK. This is due to a delay in the publication of the 2023 Business Register and Employment Survey estimates for Northern Ireland. GVA figures are based on current price estimates. The sources of GVA and employment figures in this report, respectively, are: Office for National Statistics. (2025).

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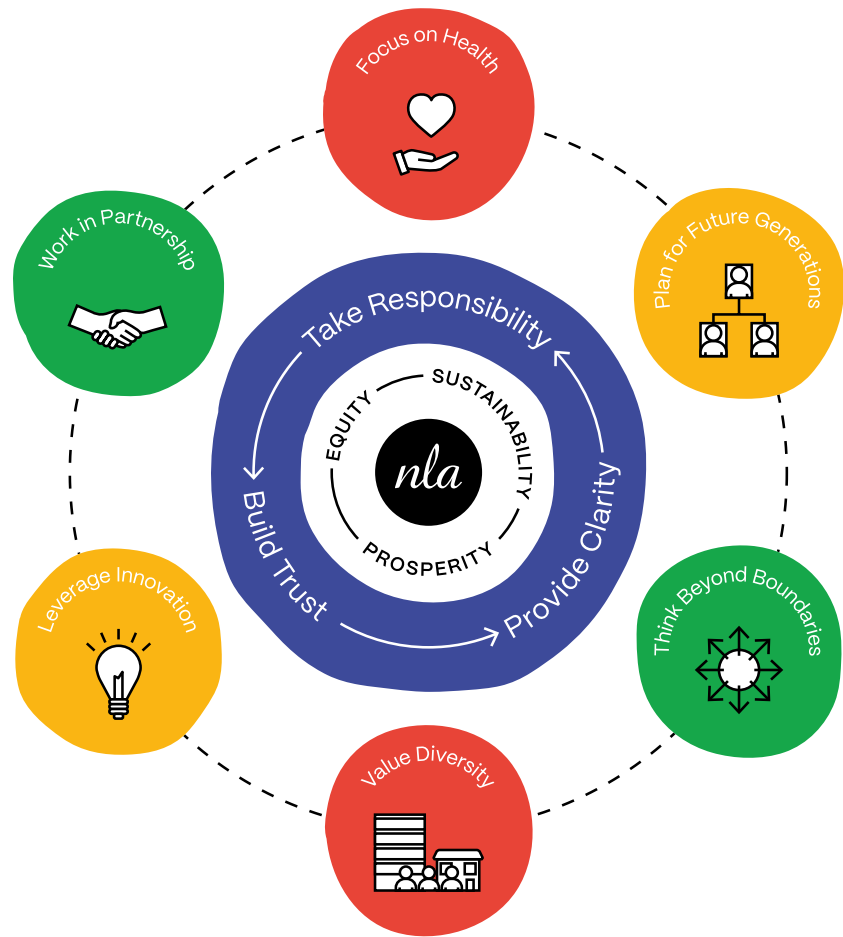


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